

Chapter Game 5

LICENSURE

Game 5.01 Authority.
 Game 5.02 Purposes.
 Game 5.03 Time for filing and approval of applications for license.
 Game 5.04 Application form and affidavit.
 Game 5.05 Application submission.
 Game 5.06 Ownership and operation licensing criteria.
 Game 5.07 Sponsorship and management licensing criteria.
 Game 5.08 Assignment of race meetings.
 Game 5.09 Personal information and authorization for release.
 Game 5.10 Clarification of license application requirements.
 Game 5.11 Changes in license applications.
 Game 5.12 Additional information.

Game 5.13 Investigation fee for licenses.
 Game 5.14 Oral presentation by applicant.
 Game 5.15 Delay in completion of race track facility.
 Game 5.16 Contracts with a licensee; approval by division.
 Game 5.17 Transfers of licenses.
 Game 5.18 Acceptance and payment of license fee.
 Game 5.19 Validity of application information.
 Game 5.20 Enforcement of rules.
 Game 5.21 Construction, expansion, reduction, alteration, or modification of proposed or existing facility.
 Game 5.22 Bond requirements for licensing.

Note: Chapter RACE 5 was renumbered chapter WGC 5 and corrections made under s. 13.93 (2m) (b) 1. and 6., Stats., [Register, March, 1995, No. 471](#).

Note: Chapter WGC 5 was renumbered chapter Game 5 under s. 13.93 (2m) (b) 1., Stats., and corrections made under s. 13.93 (2m) (b) 6. and 7., Stats., [Register November 2003 No. 575](#).

Game 5.01 Authority. Sections 562.02 (1) (a) and 562.05 (2), Stats., authorize the division to adopt rules relating to the issuance of and qualifications for a license to conduct racing and on-track pari-mutuel wagering activities.

History: Cr. [Register, May, 1990, No. 413](#), eff. 6-1-90.

Game 5.02 Purposes. The purposes of this chapter are as follows:

(1) To ensure that the public health, welfare and safety is protected in relation to racing.

(2) To establish application and licensure criteria for the issuance of licenses to conduct activities relating to racing and pari-mutuel wagering.

(3) To ensure that the process for the issuance of licenses for activities relating to racing and pari-mutuel wagering is fair and equitable.

History: Cr. [Register, May, 1990, No. 413](#), eff. 6-1-90.

Game 5.03 Time for filing and approval of applications for license. (1) Any person or entity wishing to own and operate a race track at which pari-mutuel wagering is conducted under s. 562.05 (1) (a), Stats., which person or entity has not previously been licensed, shall file an application as set forth in s. [Game 5.04](#) with the division. The division may, in its discretion, determine that no applications for license pursuant to s. 562.05 (1) (a), Stats., will be accepted for any given period.

(2) Any person or entity wishing to sponsor or manage any race on which pari-mutuel wagering is conducted and which is not located at a fair under s. 562.05 (1) (b), Stats., which person or entity has not previously been licensed, shall file an application as set forth in s. [Game 5.04](#) with the division. The division may, in its discretion, determine that no applications for license pursuant to s. 562.05 (1) (b), Stats., will be accepted for any given period.

(3) Promptly after an application has been filed, the administrator shall deliver the application to the division for review. After review and investigation of each application by the division and after each applicant has had the opportunity to make an oral presentation as provided in s. [Game 5.14](#), the division shall, within 150 days of filing, make a final determination and ruling on each application.

History: Cr. [Register, May, 1990, No. 413](#), eff. 6-1-90; corrections made under s. 13.93 (2m) (b) 7., Stats., [Register, March, 1995, No. 471](#); [CR 03-070: am. \(1\) and \(2\) Register November 2003 No. 575](#), eff. 12-1-03.

Game 5.04 Application form and affidavit. (1) An applicant for a license under s. 562.05 (1) (a) or (b), Stats., shall file with the division an affidavit and application and any exhibits, in the form and manner prescribed by the division and on forms furnished by the division.

Note: Applications and related forms are available at the division's office, P.O. Box 8979, Madison, WI 53708-8979, or by calling 608/270-2555.

(2) The applicant shall use best efforts, to provide all information required to be disclosed in the application. In the event an applicant is unable, despite best efforts, to provide the information required, the applicant shall fully explain and document to the satisfaction of the division, its inability to provide the information.

(3) The applicant shall provide only information relevant to disclosures requested by the division.

(4) Upon request of the division or its agents, the applicant shall provide copies of any documents used in the preparation of its application.

History: Cr. [Register, May, 1990, No. 413](#), eff. 6-1-90; [CR 03-070: am. \(1\) Register November 2003 No. 570](#), eff. 12-1-03.

Game 5.05 Application submission. An applicant for a license under s. 562.05 (1) (a) and (b), Stats., shall submit to the division's office not later than the time and date specified in the application:

(1) All documents which are part of its application as a single assemblage and sequentially numbered, including exhibits, with each exhibit properly identified.

(2) In the event an applicant for the ownership and operation of a race track under s. 562.05 (1) (a), Stats., at a particular location is not also an applicant for a license under s. 562.05 (1) (b), Stats., for the same location, the applicant shall file as part of its application under s. 562.05 (1) (a), Stats., a true and correct copy of any agreements for the sponsorship and management of races to be conducted at such location with a person who is licensed or is an applicant for a license under s. 562.05 (1) (b), Stats., for that location.

(3) In the event an applicant for the sponsorship and management of any race under s. 562.05 (1) (b), Stats., at a particular location is not also an applicant for a license under s. 562.05 (1) (a), Stats., for the same location, the applicant shall file as part of its application under s. 562.05 (1) (b), Stats., a true and correct copy of any agreements for the sponsorship and management of any race with a person who is licensed or is an applicant for a license under s. 562.05 (1) (a), Stats., for that location.

(4) A letter of transmittal to the division executed with original signature, and 10 copies of the application.

(5) A cashiers or certified check payable to the division as a non-refundable application fee in the following amounts:

Type of License Applied For	Fee
Application under s. 562.05 (1) (a)	\$25,000
Application under s. 562.05 (1) (b)	\$25,000
Application under s. 562.05 (1) (a) and (b)	\$45,000

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90; correction in (intro.) made under s. 13.93 (2m) (b) 7., Stats., Register, March, 1995, No. 471; CR 03-070: am. (intro.) and (4) Register November 2003 No. 575, eff. 12-1-03.

Game 5.06 Ownership and operation licensing criteria. The division may issue a license under s. 562.05 (1) (a), Stats., if the division determines that the applicant meets all of the requirements under ch. 562, Stats., and that on the basis of all the facts before it:

(1) The applicant is qualified and financially able to operate a race track.

(2) At least 51% of the ownership interest in the applicant is held by one or more persons or entities who are residents of this state.

(3) The race track will be operated in accordance with all applicable laws and rules.

(4) The appropriate governing body has approved the race track location as required by s. 562.05 (3r), Stats.

(5) The issuance of a license will not adversely affect the public health, safety and welfare.

(6) In making the required determinations before licensure under s. 562.05 (1) (a), Stats., the division shall consider the following criteria and any other indices which it considers important or relevant to its determination of whether an applicant is qualified to hold a license under s. 562.05 (1) (a), Stats., as long as the same indices are considered with regard to all applicants, including without limitation the following:

(a) The integrity of the applicant, its partners, administrators, officers, policymakers, managers, owners, directly or indirectly, of any equity security or other ownership interest in the applicant, including:

1. Criminal record.
2. Whether a party to litigation over business practices, disciplinary actions over a business license or permit or refusal to renew a license or permit, proceedings in which unfair labor practices, discrimination, or government regulation of pari-mutuel wagering was an issue or bankruptcy proceedings.
3. Failure to satisfy judgments, orders or decrees.
4. Delinquency in filing of tax reports or remitting taxes.

(b) The quality of physical improvements and equipment proposed or existing in the applicants facility, including:

1. Race track or tracks.
2. Kennels and kennel compound.
3. Stables and stable area.
4. Detention barn.
5. Paddock.
6. Jockeys' and drivers' quarters.
7. Grandstand.
8. Totalisator equipment.
9. Parking.
10. Access by road and public transportation.
11. Perimeter fence.
12. Other security improvements and equipment.
13. Starting, timing, photo finish, photo-patrol or video equipment.
14. Division work areas.
15. Concessions areas.
16. Pari-mutuel management areas.

(c) The schedule for completion of facility.

(d) The financial ability of the applicant to develop, own, and operate a pari-mutuel facility successfully, including:

1. Ownership and control structure.
2. Amounts and reliability of development costs.
3. Certainty of site acquisition or lease.
4. Current financial condition.
5. Sources of equity and debt funds, amounts, terms and conditions, and certainty of commitment.

6. Provisions for cost overruns, non-receipt of expected equity or debt funds, failure to achieve projected revenues or other financial adversity.

7. Feasibility of financial plan.

(e) The status of governmental actions required by the applicant's facility, including:

1. Necessary road improvements.
2. Necessary public utility improvements.
3. Required governmental approvals for development, ownership and operation of the facility.
4. Acceptance of any required environmental assessment and preparation of any required environmental impact statement.

(f) The management ability of the applicant, including:

1. Qualifications of managers, consultants, and other contractors to develop, own, or operate a pari-mutuel facility.
2. Security plan.
3. Plans for human and animal health and safety.
4. Marketing promotion and advertising plans.
5. Concession plan.
6. Personnel training plan.
7. Equal employment and affirmative action plans.

(g) Whether applicant is also a licensee or applicant for a license under s. 562.05 (1) (b), Stats., to manage and sponsor races at the facility for which the applicant seeks a license under s. 562.05 (1) (a), Stats., and if not, whether the applicant has a valid agreement for the sponsorship and management of races with another person who is licensed or an applicant for a license under s. 562.05 (1) (b), Stats., for that facility.

(h) For purposes of determining whether any applicant is attempting to circumvent the prohibition against holding more than one license issued under s. 562.05 (1) (a), Stats.:

1. Whether the applicant or any of the applicant's officers or directors, or any holder of 5% or more of the ownership interest in the applicant is also an applicant for a license under s. 562.05 (1) (a), Stats., for any other location in this state.

2. Whether any entity in which the applicant or any of the applicant's officers or directors, or any holder of 5% or more of the ownership interest in the applicant, has an ownership interest of more than 5%, is also an applicant for a license under s. 562.05 (1) (a), Stats., for any other location in this state.

3. Whether any entity which is a parent corporation of any holder of 5% or more of the ownership interest in the applicant is also an applicant, for a license under s. 562.05 (1) (a), Stats., for any other location in this state.

(i) The compliance with applicable statutes, charters, ordinances or regulations.

(j) The efforts to promote, develop and improve the racing industry in Wisconsin and educate the public with respect to pari-mutuel wagering.

(k) The impact of facility, including:

1. Employment created, purchases of goods and services, public and private investment and taxes generated.
2. Ecological impact.
3. Social impact.
4. Cost of public improvements.

5. Any other indices related to the impact of the proposed facility which the division considers important or relevant to its determination and which are not inconsistent with s. 562.05 (2m) and (3wmr), Stats., as long as the same indices are considered with regard to all applicants.

(L) The extent of public support or opposition to racing and pari-mutuel wagering at the location sought to be licensed.

(m) The effects of competition, including:

1. Number, nature and relative location of other licenses.
2. Minimum and optimum number of racing days sought by the applicant.

3. Any other indices relating to competitive effect which the division considers important or relevant to its determination and which are not inconsistent with s. 562.05 (2m) and (3wmr), Stats., as long as the same indices are considered with regard to all applicants.

(n) The division may consider any other information which the division considers important or relevant to a proper determination by the division.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90.

Game 5.07 Sponsorship and management licensing criteria. The division may issue a license under s. 562.05 (1) (b), Stats., if the division determines that the applicant meets all the requirements of ch. 562, Stats., and that on the basis of all facts before it:

(1) The applicant is fit to sponsor and manage racing.

(2) The race track will be operated in accordance with all applicable laws and rules.

(3) Issuance of a license will not adversely affect the public health, safety and welfare.

(4) In making the required determinations before licensure under s. 562.05 (1) (b), Stats., the division shall consider the following criteria and any other indices which it considers important or relevant to its determination of whether an applicant is qualified to hold a license under s. 562.05 (1) (b), Stats., as long as the same indices are considered with regard to all applicants, including without limitation the following:

(a) The integrity of the applicant, its partners, directors, officers, policymakers, managers, owners, directly or indirectly, of any equity security, or other ownership interest in the applicant, including:

1. Criminal record.
2. Whether a party to litigation over business practices, disciplinary actions over a business license or permit or refusal to renew a license or permit, proceedings in which unfair labor practices, discrimination, or government regulation of pari-mutuel wagering was an issue or bankruptcy proceedings.

3. Failure to satisfy judgments, orders or decrees.

4. Delinquency in filing of tax reports or remitting taxes.

(b) The types and variety of pari-mutuel horse or greyhound racing which applicant seeks to offer.

(c) The quality of physical improvements and equipment proposed or existing applicant will use, including:

1. Race track or tracks.
2. Stabling.
3. Grandstand.
4. Detention barn.
5. Paddock, jockeys' and drivers' quarters and equipment.
6. Totalisator equipment.
7. Parking.
8. Access by road and public transportation.
9. Perimeter fence.
10. Other security improvements and equipment.

11. Starting, timing, photo finish, and photo-patrol or video equipment.

12. Division work areas.

13. Concessions areas.

14. Pari-mutuel management areas.

(d) Financial ability to sponsor and manage pari-mutuel racing successfully, including:

1. Ownership and control of structure.

2. Terms and conditions of applicant's authorization to use facility.

3. Current financial condition.

4. Sources of equity and debt funds, amounts, terms and conditions, and certainty of commitment.

5. Provision for cost overruns, non-receipt of expected equity or debt funds, failure to achieve projected revenues, or other financial adversity.

6. Feasibility of financial plan.

(e) Status of necessary government approvals and compliance with applicable statutes, charters, ordinances and regulations.

(f) Management ability of the applicant, including:

1. Qualifications of managers, consultants and other contractors to manage pari-mutuel racing.

2. Security plans.

3. Plans for human and animal health and safety.

4. Marketing, promotion and advertising plans.

5. Plans for conducting racing.

6. Plans for purses.

7. Plans for conducting various types of pari-mutuel wagering.

8. Concessions plan.

9. Plans for personnel training.

10. Plans for equal employment and affirmative action.

(g) Whether applicant is also a licensee or applicant for a license under s. 562.05 (1) (a), Stats., for the facility at which the applicant seeks a license under s. 562.05 (1) (b), Stats., and if not, whether the applicant has a valid agreement for the sponsorship and management of races with another person who is licensed or an applicant for a license under s. 562.05 (1) (a), Stats., for such facility.

(h) For purposes of determining whether any applicant is attempting to circumvent the prohibition against holding more than one license issued under s. 562.05 (1) (b), Stats.:

1. Whether the applicant or any of the applicant's officers or directors, or holders of 5% or more of the ownership interest in the applicant is also an applicant for a license under s. 562.05 (1) (b), Stats., for any other location in this state.

2. Whether any entity in which the applicant or any of the applicant's officers or directors, or holders of 5% or more of the ownership interest in the applicant, has an ownership interest of more than 5%, is also an applicant for a license under s. 562.05 (1) (b), Stats., for any other location in this state.

3. Whether any entity which is a parent corporation of any holder of 5% or more of the ownership interest in the applicant, is also an applicant for a license under s. 562.05 (1) (b), Stats., for any other location in this state.

(i) Efforts to promote, develop and improve the racing industry in Wisconsin and educate the public with respect to pari-mutuel wagering.

(j) Economic impact, including:

1. Employment created.

2. Purchases of goods and services.

3. Tax revenues generated.

4. Any other indices related to economic impact which the division considers important or relevant to its determination and

which are not inconsistent with s. 562.05 (2m) and (3wmr), Stats., as long as the same indices are considered with regard to all applicants.

(k) Extent of public support or opposition to racing and pari-mutuel wagering at the location sought to be licensed.

(L) Effects of competition, including:

1. Number, nature and relative location of other licenses.

2. Minimum and optimum number of racing days sought by the applicant.

3. Any other indices relating to competitive effect which the division considers important or relevant to its determination and which are not inconsistent with s. 562.05 (2m) and (3wmr), Stats., as long as the same indices are considered with regard to all applicants.

(m) The division may consider any other information which the division considers important or relevant to a proper determination by the division.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90.

Game 5.08 Assignment of race meetings. In determining the assignment of race meetings to licensees under s. 562.05 (1) (b), Stats., the division shall consider factors relating to the economic and practical feasibility of conducting race meetings at various tracks. Factors to be considered shall include, without limitation:

(1) The types and dates of race meets being held, both within and outside this state.

(2) The effects that various types of pari-mutuel racing have on one another.

(3) The quality of racing provided at various tracks.

(4) Past dates.

(5) Past performance of the licensee.

(6) Whether the licensee has complied with all applicable laws and rules relating to racing.

(7) Whether the assignment will maximize revenues to the state.

(8) Whether the assignment will adversely affect the public health, welfare and safety.

(9) Stability of dates.

(10) The stability of the racing circuit.

(11) The economic impact on the local community.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90; CR 03-070: am. (1), cr. (11) Register November 2003 No. 575, eff. 12-1-03.

Game 5.09 Personal information and authorization for release. In an application for a license under s. 562.05 (1) (a) or (b), Stats., the applicant shall include the following with respect to each individual required to be identified in the application form, or otherwise required to be identified in the application form, or otherwise required to be identified by this chapter or s. 562.05 (5), Stats., as an applicant, partner, director, officer, or owner, directly or indirectly, of 5% of any equity security or other ownership interest in the applicant and such other individuals as shall be required by the division:

(1) Full name, business and residence addresses and telephone numbers, all previous residential addresses for the preceding 20 years or if less than 20 years at the current residence address, date of birth, place of birth, and 2 references.

(2) An authorization for release of personal information, in the form prescribed by the division, signed by the individual and providing that such individual:

(a) Authorizes a review by and full disclosure to any agent of the division or Wisconsin department of justice, division of criminal investigation of all records concerning the individual, relating to the information provided in the application form, whether the records are public, non-public, private or confidential.

(b) Recognizes the information reviewed or disclosed may be used by the state of Wisconsin, its employees, the division staff and agents of the division, to determine the signer's qualifications for a license under s. 562.05 (1) (a) or (b), Stats.

(c) Releases authorized providers and users of the information from any liability under state or federal data privacy laws.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90; CR 03-070: am. (1) and (2) (a) Register November 2003 No. 575, eff. 12-1-03.

Game 5.10 Clarification of license application requirements. The administrator or administrator's designee shall clarify license application requirements upon the written request of an applicant or potential applicant. The administrator may consult counsel, staff or members of the division, but shall respond to clarification requests promptly upon the receipt of the request, either orally or in writing. Interpretations of application requirements by any other person shall not be binding on the division.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90; CR 03-070: am. Register November 2003 No. 575, eff. 12-1-03.

Game 5.11 Changes in license applications. (1) An applicant shall furnish written notification to the division of any material change in the information originally submitted in its application. This notification shall be made within 5 days following the event of such change and provide details to the degree of specificity required in the application.

(2) Notwithstanding an applicant's timely notification of a material change in the information submitted in its application, the division may refuse to consider any substantive amendment to an application after the initial submission of the application, provided, however, that nothing shall prevent the division from considering amendments to an application which are made by the applicant under s. 562.05 (5) (b) 4., Stats.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90.

Game 5.12 Additional information. The division may require any additional information it considers necessary or relevant from any applicant to clarify, support, or otherwise explain information contained in the applicant's application under s. 562.05 (1) (a) or (b), Stats., for the purpose of ruling on a license application.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90.

Game 5.13 Investigation fee for licenses. An applicant for a license under s. 562.05 (1) (a) or (b), Stats., shall submit to the division, at the time of application, a certified check or bank draft payable to the order of the division in the amount of \$10,000 to cover the costs of the investigation mandated by s. 562.05 (7) (a), Stats. If costs of the investigation exceed \$10,000, the applicant shall remit the amount of the difference by certified check or bank draft within 10 days after receipt of an invoice from the division. An individual or other entity which is simultaneously applying for licenses under both s. 562.05 (1) (a) and (b), Stats., for the same location, shall submit one \$15,000 investigation fee. If costs of the investigation exceed \$15,000, the applicant shall remit the amount of the difference by certified check or bank draft within 10 days after receipt of an invoice from the division.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90.

Game 5.14 Oral presentation by applicant. The division shall provide the applicant for a license under s. 562.05 (1) (a) or (b), Stats., an opportunity to make an oral presentation of its application to the division prior to the division ruling on the application. The presentation shall be made by an applicant, under oath, at a session of the division. The presentation shall be limited to the information contained in the applicant's application. The division is not required to afford an applicant more than one opportunity to make an oral presentation on the same application prior to a division determination, provided, however, the division may require an applicant to appear before the division to clarify

or otherwise respond to questions concerning the application as a condition to the issuance of a license.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90.

Game 5.15 Delay in completion of race track facility.

Failure of a licensee under s. 562.05 (1) (a), Stats., to begin the types of racing authorized under the license as specified by the division under s. 562.05 (3wt), Stats., shall be cause for the license to be void as provided in s. 562.05 (3wt), Stats. The division may re-specify a later date for the commencement of the types of racing authorized and determine that the license shall not be void if the licensee proves that any delay arose out of causes beyond the control and without the fault of negligence of the licensee, its contractors and subcontractors. Such causes may include, but are not restricted to, acts of God or enemies of the United States, acts of government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the delay shall be beyond the control and without fault or negligence of the licensee, its contractors and subcontractors. If the cause of delay is the default of a contractor or subcontractor and if the licensee proves to the satisfaction of the division that the default arose out of causes beyond the control of the licensee, its contractors and subcontractors, the license shall not be void unless the supplies or services to be furnished by the contractor or subcontractor were obtainable from other sources in sufficient time to permit the licensee to meet the completion date.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90.

Game 5.16 Contracts with a licensee; approval by division. (1) Any contract in excess of \$10,000 per year for the provision of goods and services, including but not limited to concession contracts, entered into by any licensee under s. 562.05 (1), Stats., shall be subject to the approval of the division. The division shall determine whether the contract may affect the integrity of pari-mutuel racing. Until approved by the division, the contract is not valid or binding on any licensee under s. 562.05 (1), Stats. The division shall, within 45 days after submission of a contract to the division, approve or disapprove the contract and if not acted upon by the division within 45 days after submission, the contract shall be considered approved by the division, unless additional information regarding the contract is requested by the division and action is taken within 30 days of the date of receipt of the additional information. In making a determination that a contract may affect the integrity of racing, the division may consider such factors as it considers relevant including without limitation:

- (a) The value and duration of the contract.
- (b) The extent to which the contractor will be on the premises of the licensee.
- (c) The relationship of the contract to the general security of a facility including opportunity for contact between the contractor and race animals, occupational licensees, or patrons.
- (d) Opportunity for the contractor to influence the management and conduct of pari-mutuel racing.
- (e) Contact with admission, pari-mutuel or concession money.
- (f) Whether the division has reason to believe that the contractor is incompetent, financially irresponsible, or not of good character.

(2) Any contract for \$10,000 per year or less for the provision of goods and services, including but not limited to concession contracts, entered into by any licensee under s. 562.05 (1), Stats., shall be filed with the division.

(3) A licensee under s. 562.05 (1), Stats., for a particular location may not receive services from another person or entity at such location, if the performance of the services by that person or entity requires a license under s. 562.05 (1), Stats., unless that person or entity is licensed to provide those services at that particular location.

(4) In the event any licensee under s. 562.05 (1), Stats., takes actions or otherwise receive goods and services pursuant to any contract which has not been approved or filed as provided in sub. (1) or (2), or which is not permitted as provided in sub. (3), the division may suspend or revoke the license held by the licensee.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90; CR 03-070: am. (1) (intro.) and (2) Register November 2003 No. 575, eff. 12-1-03.

Game 5.17 Transfers of licenses. A license issued under s. 562.05 (1) (a) or (b), Stats., is for the benefit of the licensee only, and is applicable only to the location for which the license is issued. The license may not be sold or otherwise transferred and shall terminate upon a substantial change of ownership of the licensee, unless the division has granted prior written approval of the substantial change. The sale, pledge, encumbrance or other transfer of 5% or more of the equity securities or other ownership interest of a partnership, association or corporation holding a license under s. 562.05 (1) (a) or (b), Stats., shall be considered a substantial change of ownership. Any request for approval of a substantial change in ownership shall contain, where applicable, the same information about the proposed transferee as is required to be furnished under s. Game 5.04. Upon receipt of all information required by the division with regard to a proposed substantial change in ownership, the division shall, within 60 days, make a determination whether to authorize and approve the substantial change in ownership of a licensee.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90; correction made under s. 13.93 (2m) (b) 7., Stats., Register, March, 1995, No. 471.

Game 5.18 Acceptance and payment of license fee.

When the division approves an application for license under s. 562.05 (1) (a) or (b), Stats., or renewal of a license and notifies the applicant of its approval, setting forth the effective date of the license, the dates by which each type of racing shall commence and, if applicable, the number and dates of race performances authorized, the applicant shall, within 10 days after the receipt of the division's notice of approval, file a written acceptance with the division and make payment of the required license fee. The fee shall be payable to the division by certified check or bank draft in the amount required as follows:

(1) A non-refundable fee of \$300,000 for an initial 5 year license issued for any location under s. 562.05 (1) (a), Stats., as provided in s. 562.05 (3wr), Stats., payable \$100,000 upon the filing of written acceptance of the license and \$50,000 on or before January 10 of each of the 4 calendar years thereafter commencing on January 10 of the calendar year immediately following the year in which the license under s. 562.05 (1) (a), Stats., is first issued.

(2) An annual non-refundable fee of \$50,000 for a license issued for any location under s. 562.05 (1) (a), Stats., as provided in s. 562.05 (3wr), Stats., payable upon the filing of written acceptance of the license for each race year following the initial 5 year license period.

(3) An annual non-refundable fee equal to \$125 times the number of race performances authorized in a license issued under s. 562.05 (1) (b), Stats., payable upon the filing of written acceptance of the license.

(4) Failure to comply with the 10 day period for license acceptance and submission of appropriate license fees or to otherwise make payment of license fees when due, shall cause the application for license to be considered withdrawn and of no effect or the license to be suspended or revoked.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90.

Game 5.19 Validity of application information. False or misleading information, omission of required information, or substantial deviation from representations in the application for license under s. 562.05 (1) (a) or (b), Stats., is cause for denial, revocation or suspension of a license or imposition of a fine as provided in s. 562.13, Stats.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90.

Game 5.20 Enforcement of rules. Each licensee under s. 562.05 (1) (a) and (b), Stats., has a duty to comply with the rules of the division at all times and acknowledge that the rules are a condition under which the licenses are granted.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90.

Game 5.21 Construction, expansion, reduction, alteration, or modification of proposed or existing facility. No licensee under s. 562.05 (1) (a) or (b), Stats., may construct, expand, reduce, alter, or otherwise modify an existing or proposed race track facility after a license has been issued under s. 562.05 (1) (a) or (b), Stats., for that facility, which would result in an increase or decrease of \$10,000 per year or more in the development costs of the facility as proposed at the time the license was granted or which would cost in excess of \$10,000 per year at an existing facility, without the prior approval of the division. If a licensee fails to obtain the required approval, the division may revoke or suspend the licensee's license and impose a fine under s. 562.13, Stats.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90; CR 03-070: am. Register November 2003 No. 575, eff. 12-1-03.

Game 5.22 Bond requirements for licensing.
(1) The division may require an applicant for a license under s. 562.05 (1) (a), Stats., to file with the division as a condition of licensure, a bond payable to the division in an amount sufficient to guarantee the proposed costs of development of the facility sought to be licensed under s. 562.05 (1) (a), Stats. This bond shall be executed by the applicant and a surety company or companies

licensed to do business in this state, and conditioned upon the completion of the facility as proposed by the applicant, subject to any reduction or modification approved by the division pursuant to this section.

(2) An applicant for a license to sponsor and manage a race under s. 562.05 (1) (b), Stats., shall file with the division at the time the applicant files its application, a bond payable to the division in an amount determined by the division equal to the total monthly dollar amount estimated to be paid by the association related to fees, taxes and other money due, including animal purses, operations of the adopt-a-greyhound program, unclaimed prizes, and pay-outs on winning wagers or other amounts payable pursuant to the provisions of ch. 562, Stats. The division may require the applicant to amend the amount of the bond prior to the commencement of the race meet in which the applicant was licensed under s. 562.05 (1) (b), Stats. The amount of the bond will not exceed the estimated total financial liability of the applicant throughout the race meet for which the license under s. 562.05 (1) (b), Stats., is requested, as determined by the division. The bond shall be executed by the applicant and a surety company or companies authorized to do business in this state, and conditioned on the payment by the licensee under s. 562.05 (1) (b), Stats., of all fees, taxes and other money due, including animal owner's purses, operations of the adopt-a-greyhound program, unclaimed prizes, and pay-outs on winning wagers or other amounts payable pursuant to the provisions of the ch. 562, Stats.

History: Cr. Register, May, 1990, No. 413, eff. 6-1-90; correction in (1) made under s. 13.93 (2m) (b) 7., Stats., Register, March, 1995, No. 471; CR 03-070: am. (2) Register November 2003 No. 575, eff. 12-1-03.